



FY 2019 Quarterly Investment Report

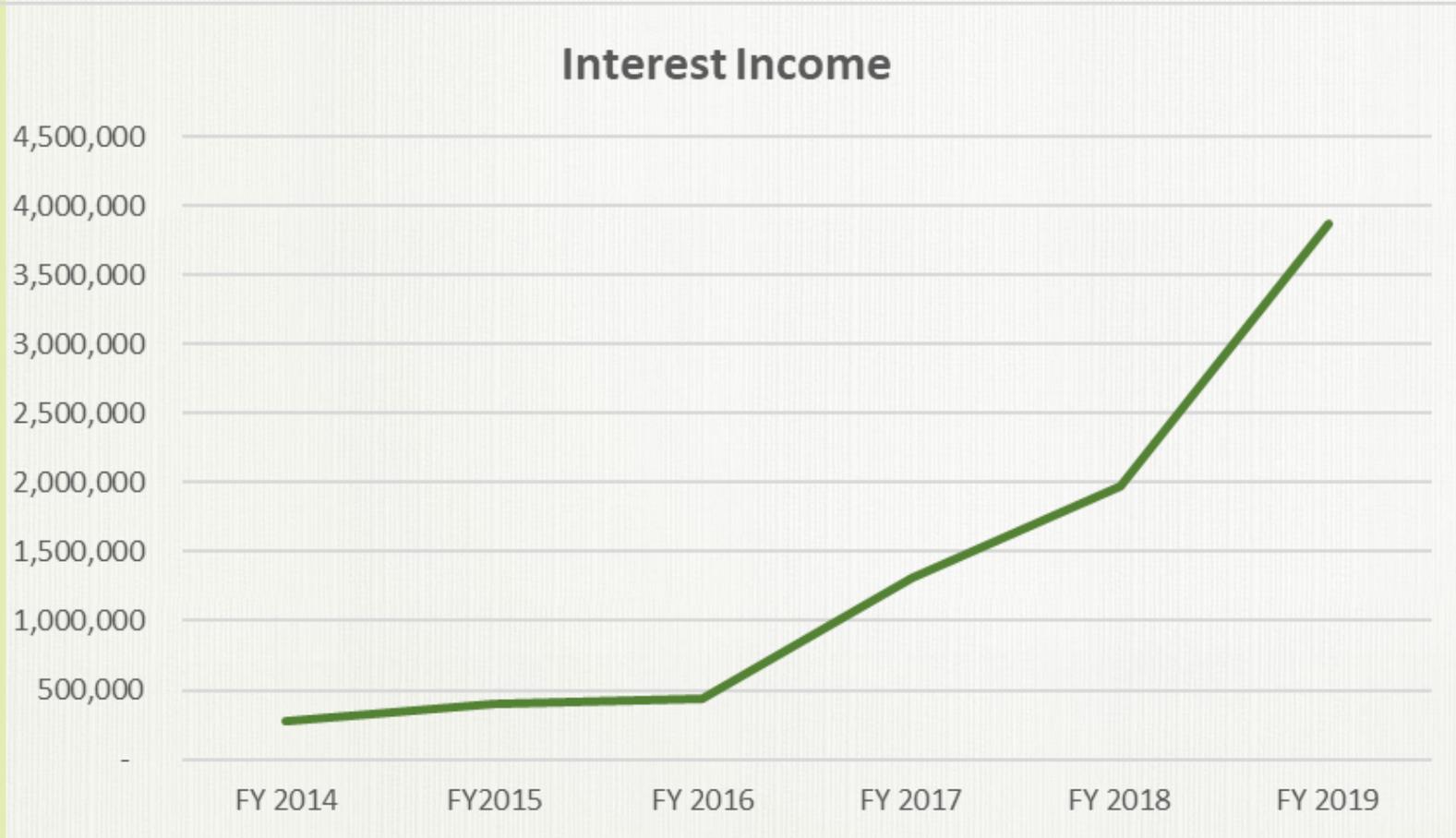
Third Quarter – Through June 2019

Kent Meredith

Finance Director

August 22, 2019

Interest Income – thru 3rd Qtr FY 2019



3rd Qtr Interest Earnings: \$3,868,521

- **GF: \$529,514**
- **UF: \$828,779**
- **Capital Programs: \$1,459,872**
- **Other: \$1,050,356**

FY 2018: \$1,978,022

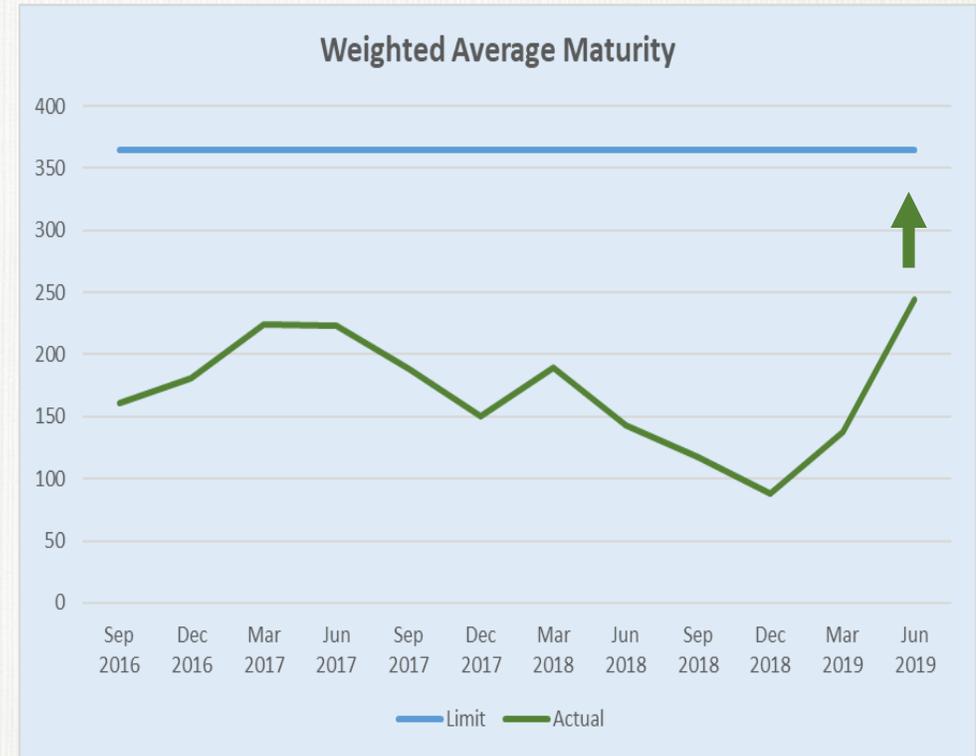
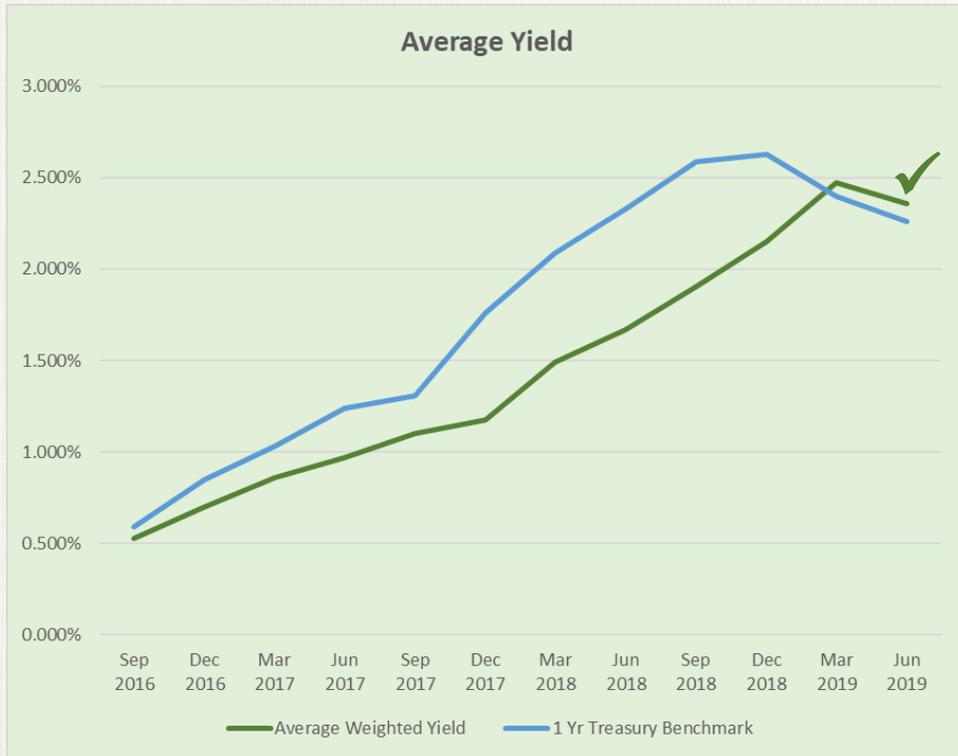
FY 2017: \$1,308,883

FY 2014: \$274,263

Investment Strategy

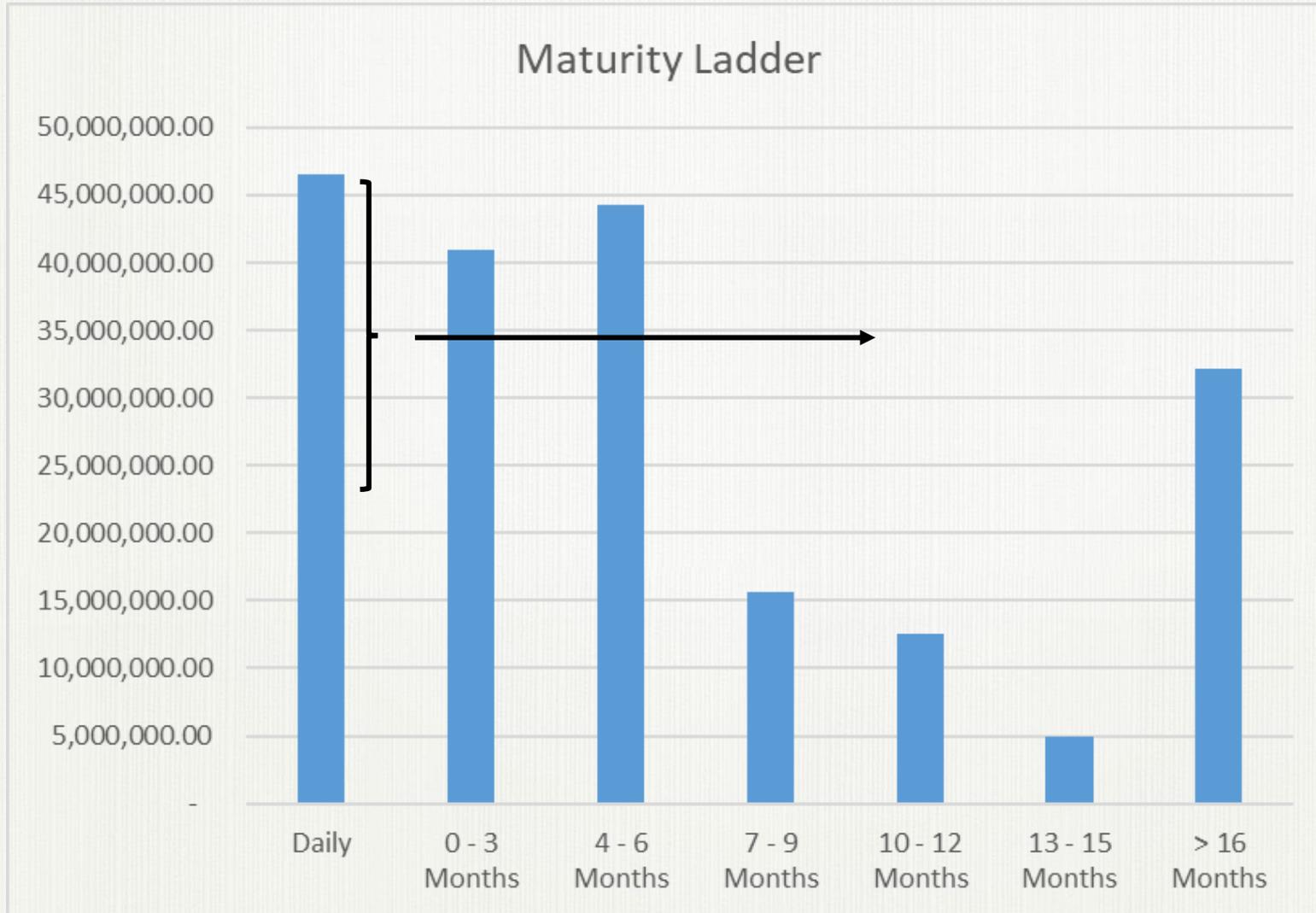
- Use a ladder approach that matches liabilities and maturities
- Regularly review:
 - Cash flow model (maturities, tax revenues vs payments)
 - Types of investments
- Monitor changing market conditions
 - Currently short-term rates are higher than long term rates (inverted yield curve)
 - Evaluate stability of the markets
- Today's portfolio is well positioned to take advantage of opportunities

Portfolio Benchmarks

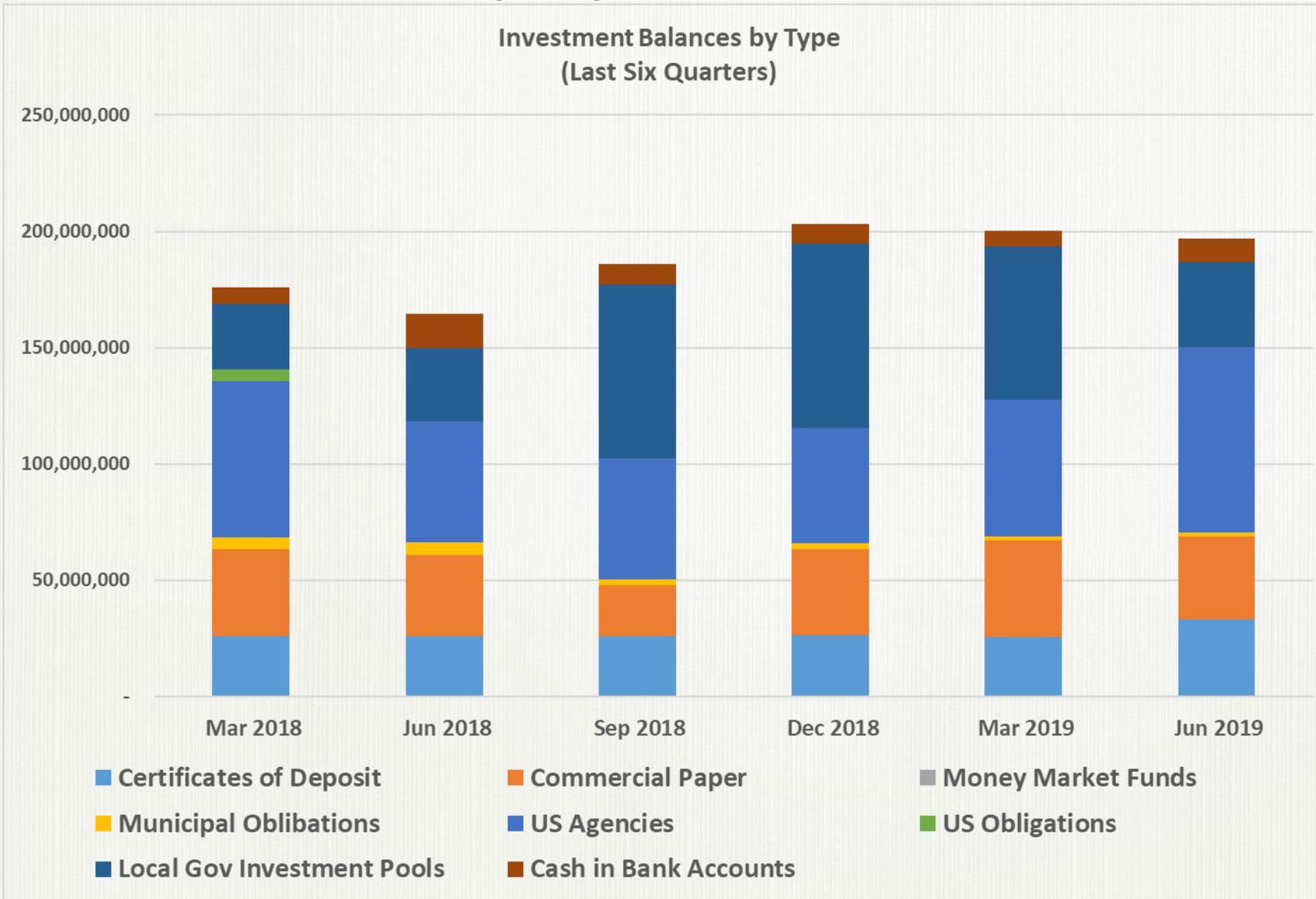


Increasing the WAM in relation to the yield curve will help us to keep our yield up

Maturities Ladder

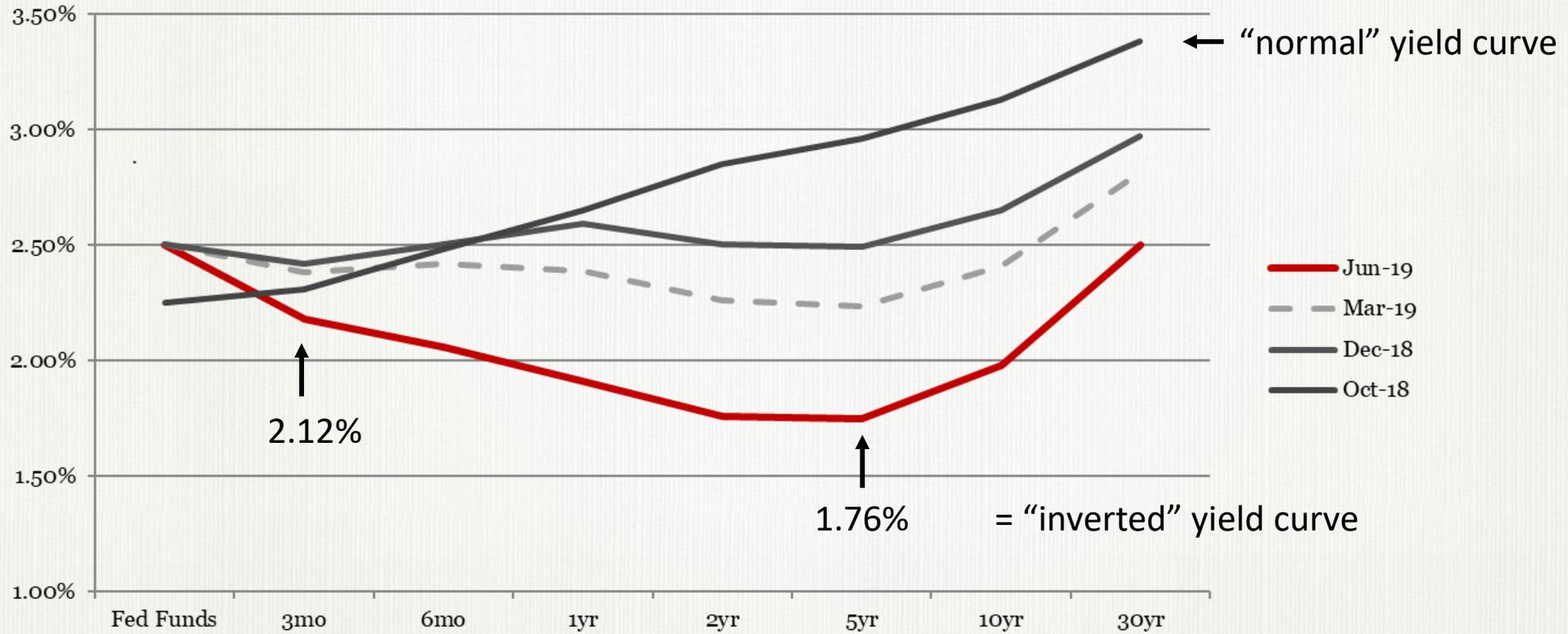


Investments by Type



End of Quarter
Portfolio Balance:
\$197M

Yield Curve Inversion (US Treasury)



In Summary

- \$10.8M increase in portfolio since beginning of FY (interest earnings and property tax collections – first two quarters)
- Economic conditions inverted the yield curve
 - US economy – full employment, increased jobs, personal income and spending, however;
 - Global economy – slow down, affected by trade concerns and international politics
- We'll increase the WAM to increase yield and hedge possible reduction in rates
- Maintain portfolio in compliance with Public Funds Investment Act and City's Investment Policy

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- Quarterly investment reports are available on our web site
 - Questions?